

or a year—that would include myself when I came—and you would not have the experience SAM NUNN gained during the final 12 of his 24 years in the U.S. Senate in dealing with international and defense issues.

That is a debate we will have at some later point. I think it does not favor this country to suggest somehow that we should have prohibited this country from the service given by Calhoun, Clay, Webster, and, yes, Goldwater and Humphrey and DOLE and others. These are people who spent a lot of time serving the public interests, amassing a great deal of experience and served this country well.

I do not spend a minute worrying or thinking about term limits. That is up to the American people. If they choose to change the Constitution to limit their choice in a different way, they have every right to do that, and will do that if that is their pleasure.

KEEP BLOCK GRANT MONEY AT HOME

Mr. DORGAN. Mr. President, I came to the floor to speak about another subject. I was here when Senator BOXER from California spoke on Medicare and Medicaid, and I shall not do that except to say this: I am intending at some point to gather together the legislation that we are block granting back to all the Governors in the States. We are doing this under the presumption that somehow the Governors are able to discern better how to spend all this money—Medicaid, a whole range of areas, tens of billions of dollars that will be sent back to the States through block grants.

They will send back less money but block grant it with fewer strings. The presumption is that the money will go from the taxpayers to the Federal Government; we send it to the Governors, saying, "go ahead and spend it."

My theory is, why put miles on all this money? Why send a tax dollar from Bismarck, ND, to Washington, DC, only to send it back to the Governor of North Dakota? Why do you want to send it from California to Washington to send it back to the Governor? Why not keep it at home? Want to block grant? Why collect it and have it run through Washington? That is like passing an ice cube around. Why lose money? Why not say to the Governors, "Look, if you want to do this, God love you, God please you, you do it. You raise the money. You tax the folks in your State, and you spend it."

I tell you, that is the best way to have lack of accountability of Federal funds quickly. That is, for the Federal Government to tax the citizens, get the money and give it to another level of government someplace else and say, "By the way, here is the pot of money. We tied it with a bow. No strings attached. You go ahead and spend it as you wish." Do you want to have horror stories, in 3 years, 5 years, 10 years, about how the taxpayers' money is

spent? You just move free money around and have Governors spending money they did not raise.

I am going to offer some legislation here that says whatever it is you are block granting, let us take all of that and reduce the Federal taxes by that amount and say to the Governors: You do it. Raise your own money and spend your own money. It is a far more effective and far more efficient way to do business. That is for another day. But I intend to do that because I do not believe that block grants of the type we are talking about serve the taxpayers' interests. Let them do it at home. Let them raise the money at home and let them also decide how to spend the money at home.

Mr. President, I understand another Senator wishes to speak on the legislation that is on the floor. Because of that, so Senator KASSEBAUM has the opportunity, I would like to take just about 5 or 8 minutes, and I will not extend beyond that, so I can finish. I was intending to speak longer, but I will shorten it so the Senator has an opportunity to speak on the bill.

Will that be acceptable to the Senator from Kansas?

Mrs. KASSEBAUM. Mr. President, that is fine. I will be happy to wait.

THE TRADE DEFICIT

Mr. DORGAN. Mr. President, actually I was here before the Senator from Ohio rose, but I was waiting to speak on the issue of the President of Mexico visiting Washington, DC, and the news reports about that. I want to talk just a bit about it, because here is what is happening.

President Zedillo, of Mexico, visits Washington, DC. There is a state dinner at the White House for the President. I am sure the President of Mexico is a wonderful person. He and President Clinton are talking about trade between our two countries; they are dining together and talking about our mutual interests.

Then we have press stories. This is yesterday's press story. It says, Mexico, in fact, has made a \$700 million payment toward the \$12.5 billion debt that it owes this country from the loans we gave Mexico. In fact, they made the \$700 million payment early, and is that not a wonderful thing, that Mexico paid early?

That is a nice thing. I am pleased about that. But I would like to ask a question of both President Clinton and the President of Mexico. And I will ask a question, because President Clinton and senior trade officials in the administration say that NAFTA, the trade agreement with Mexico, "has created 340,000 jobs in the United States." This says, "The senior U.S. official, who asked not to be identified, said NAFTA, the trade agreement with Mexico, has created 340,000 jobs in the United States."

I can understand why this person did not want to be identified. I can under-

stand why somebody who puts out this kind of nonsense does not want to be identified. But let me remind those who have dinner together and talk about the United States-Mexico relationship, that the year before we had a free trade agreement with Mexico we had nearly a \$2 billion trade surplus. In fact, the year before that it was a nearly \$6 billion trade surplus with Mexico. When we had NAFTA up for consideration here in the U.S. Senate, the surplus was nearly a \$2 billion.

Guess what? This year that nearly \$2 billion surplus with Mexico is going to go to a \$15 billion—some estimates say \$18 billion—trade deficit. We pass NAFTA with Mexico, we have a \$2 billion trade surplus, and 2 years later we have a \$15 to \$18 billion trade deficit with Mexico. Then we are told this creates jobs. Are people drinking from the wrong jug someplace? You create jobs when you have an \$18 billion deficit? Of course you do not create jobs. You lose jobs.

Here is what we lost. The promise by these economists who flail their arms around was that we would have 220,000 new jobs if we just pass NAFTA—exactly the opposite has happened. We have lost about 220,000 jobs as a result of that trade agreement. So, I say to President Clinton and President Zedillo and others, that when we talk about these trade relationships, let us get the facts straight.

Why does it matter? It matters because this relates to jobs, opportunity, and growth in our country. It is not just Mexico. It is Japan. It is China. It is a whole series of problems we have in trade. We have a \$65 billion trade deficit with Japan. It is an outrage. American jobs are moving overseas wholesale. American corporations, as all of us know, have decided we are going to allow our marketplace to be a sponge for Japanese goods and Chinese goods and, yes, Mexican goods.

When these American companies produce to sell elsewhere, they decide to produce in Sri Lanka and Bangladesh and China and Indonesia. Why? Because you can hire cheap labor in those places. So an American company shuts down an American plant, moves the jobs overseas, produces something for pennies an hour—often hiring kids to do it—and then ships the product back to Pittsburgh or Fargo or Denver, and says, "Isn't this wonderful? Our profits are up."

Yes, your profits are up—and our jobs are gone. Then we measure all this. The Nation's leaders measure all this with a thing called gross domestic product, GDP.

It has been a big year for GDP, I tell all these economists. Do you know why it's been a big year for GDP? Because we have had all these hurricanes. Do you know, when you have hurricanes, the GDP increases? I bet nobody knows that. Only those folks in the Federal Reserve Board, with thick glasses, who live in concrete bunkers and count all the beans know that. They know you